

# House Bill 126

Synopsis of the Fourth Edition

## G.S. 131E-176(7a): CON Threshold for Diagnostic Centers

- **Current Law:** If the total value all the medical equipment a diagnostic facility uses with a cost of \$10,000 aggregates to a total of more than \$500,000, the facility is defined as a “diagnostic center” and is subject to CON review.
- **H126, Fourth Edition:** The aggregate cap would be raised to \$1,500,000.
- This change would have been effective January 1, 2020.
- The new threshold would have been indexed for inflation each year beginning in 2022.

# G.S. 131E-176(14o): CON Threshold for Major Medical Equipment

- **Current Law:** Any single piece of equipment which costs more than \$750,000 is defined as “major medical equipment” and is subject to CON review.
- **H126, Fourth Edition:** The cost threshold would be raised to \$2,000,000.
- This change would have been effective January 1, 2020.
- The new threshold would have been indexed for inflation each year beginning in 2022.

## G.S. 131E-176(16)b: CON Threshold for Capital Expenditures

- **Current Law:** Any capital expenditure in excess of \$2,000,000 is defined as a “new institutional health service” and is subject to CON review, unless an exception applies.
- **H126, Fourth Edition:** The capital expenditure threshold would be raised to \$4,000,000. The current statutory exceptions would continue to apply.
- This change would have been effective January 1, 2020.
- The new threshold would have been indexed for inflation each year beginning in 2022.

## G.S. 131E-184: Replacement, Renovation, and Relocation exempted from CON Review

- **Current Law:** Any service or facility that is subject to CON review must be re-reviewed if the service or facility is replaced, renovated, or relocated.
- **H126, Fourth Edition:** If a service or facility with an existing CON is replaced, renovated, or relocated to another place in the same county, it is exempt from CON review.
- This change would have been effective January 1, 2020.

# G.S. 131E-189: Expiration of Existing CONs

- **Current Law:** DHHS has the discretion to set a time by which a facility receiving a CON must begin offering services. DHHS has the discretion to revoke a CON if the holder of the CON fails to develop the service or facility properly.
- **H126, Fourth Edition:**
  - Facilities that cost in excess of \$50,000,000 must initiate construction within four years of a CON being approved. Failure to do so will result in automatic expiration of the CON.
  - Facilities that cost \$50,000,000 or less must initiate construction within two years of a CON being approved. Failure to do so will result in automatic expiration of the CON.
  - Any CON that has not been used in the immediately preceding 12 months will automatically expire.
- This change would have been effective January 1, 2020.

# G.S. 131E-147: Ambulatory Surgical Facility Reporting Requirements

- **Current Law:** ASCs do not have to provide information on the number of rooms and the procedures performed at the facility when they apply for or renew their licenses.
- **H126, Fourth Edition:** All ASC applications would be required to state the number of rooms in the facility and the types of procedures performed at the facility.
- This change would have been effective January 1, 2020.

## G.S. 131E-176(9b) and (9c), G.S. 131E-184: Psychiatric and Chemical Dependency Treatment Facilities

- **Current Law:** Psychiatric facilities and chemical dependency treatment facilities are defined as “health service facilities” and are subject to CON review. Beds in psychiatric facilities and chemical dependency treatment facilities are subject to CON review.
- **H126, Fourth Edition:** Psychiatric facilities, psychiatric facility beds, chemical dependency treatment facilities, and chemical dependency treatment facilities beds would be exempt from CON review. The conversion of acute care beds to psychiatric beds would be exempt from CON review. Existing psychiatric facilities and chemical dependency treatment facilities would be exempt from CON review when they expanded, were replaced, or were acquired by another entity.
- This change would have been effective 18 months after H126 became law.



## G.S. 131E-176(16)r: Conversion of Ambulatory Surgical Programs

- **Current Law:** The conversion of a specialty ambulatory surgical program to a multispecialty ambulatory surgical program is defined as a “new institutional health service” and is subject to CON review.
- **H126, Fourth Edition:** The conversion of a specialty ambulatory surgical program to a multispecialty ambulatory surgical program would be removed from CON review.
- This change would have been effective 18 months after H126 became law.

# G.S. 131E-184 Exemption of Certain Home Health Agencies

- **Current Law:** Home health agencies are defined as “health service facilities” and are subject to CON review.
- **H126, Fourth Edition:** Home health agencies that are (i) established by a licensed continuing care retirement community and that (ii) provide services under contract to residents of that community would be exempt from CON review.
- This change would have been effective 18 months after H126 became law.

## S.L. 2016-94, Section 12F.4(b)

- **Current Law:** Institutions that receive Dorothea Dix funds must maintain 50% of their beds as charity care beds.
- **H126, Fourth Edition:** The number of charity care beds would be reduced to 25%.
- This change would have been effective 18 months after H126 became law.